



File Code: 1570
15-02-00-0068-219
Date: May 11, 2015

David Ludlum
West Slope Colorado Oil and Gas Association
PO Box 89
Grand Junction, CO 81502

Dear Mr. Ludlum:

On February 10, 2015, you, Kathleen Sgamma, and Claire Moseley filed an objection regarding the White River National Forest's *Oil and Gas Leasing Decision*. The legal notice for that project was published in the *Glenwood Springs Post Independent* on December 12, 2014, which initiated the 60-day objection period. Your objection was timely. This letter is my written response to your objection, as required by 36 Code of Federal Regulations (CFR) 219.56(g).

To satisfy 36 CFR 219.57(a), an objection resolution meeting was held with the objectors in Glenwood Springs, Colorado on April 27, 2015. You attended that meeting along with other objectors. I was in attendance as was Scott Fitzwilliams, Supervisor of the White River National Forest and staff from both the forest and the Rocky Mountain Regional Office. We were unable to resolve your objections at that meeting.

Project Subject to Objection

The White River National Forest proposes to make portions of that Forest available for oil and gas leasing, to adopt stipulation requirements for use on those lands, to close other portions of the Forest to oil and gas leasing, and to amend the White River National Forest Land and Resource Management Plan (LRMP).

Three alternatives were considered in detail in this project's final environmental impact statement (FEIS). These alternatives included:

- Alternative A – No Action (current management);
- Alternative B (Scenario 1 & 2) – No New Leasing;
- Alternative C (Scenario 1 & 2) – Proposed Action.

Scenario 1 assumes the 39 leased/undeveloped parcels would expire or terminate and subsequently be closed to future leasing through management direction (Alternative B) or a combination of closed to future leasing through management direction and available for lease (Alternative C).

Scenario 2 assumes the 39 leased/undeveloped parcels would not expire and would be developed under the 1993 White River National Forest Oil and Gas Leasing stipulations and/or stipulations they were leased under.



As detailed in the Draft Record of Decision (DROD) for this project, a combination of Alternatives B and C was selected for implementation.

Objection Responses

Following are summaries of the objection issues, paraphrased from the actual objections filed by the addressee. The agency response then follows each summarized issue.

Objection Issue 1: The oil and gas plan contains a flawed analysis of oil and gas potential in the planning area. Specifically, the analysis does not address areas denominated as high, moderate, or low potential for oil and gas development. The analysis is flawed because it is based entirely on historic production. Neither the DROD nor the Final Environmental Impact Statement (FEIS) discuss the long history of oil or gas development, facilities and infrastructure in the Thompson Divide. The DROD ignores the potential for oil and gas development in the region, and instead comes to the unsupported conclusion that the geology underlying the Forest does not support economically viable oil or gas bearing formations.

Objection Response – High, moderate and low potential is discussed in the project record. (FEIS Section 3.2.10) Potential for oil and gas development is also extensively addressed in the Minerals Specialist Report and in the Reasonably Foreseeable Development (RFD) report. (FEIS Sections 1.8 and 3.2.10)

The future production potential did not rely solely on the presence or absence of past development. The analysis also considered geologic potential, and expressions of interest in lease development. (FEIS Sections 2.4.2 and 3.2.10) Potential was also considered in Mineral Specialist and RFD reports. (FEIS Sections 1.8 and 3.2.10) As discussed extensively in the DROD, the Responsible Official considered future potential, other resource concerns, and public input when deciding whether or not to make any given area available for future leasing, as well as appropriate stipulations for available areas.

The determination that portions of the project area are not capable of supporting economically viable oil and gas formations is based on information contained in the sources referenced above.

Objection Issue 2: The plan fails to adequately consider potential consequences of an upcoming decision of the Bureau of Land Management (BLM) on existing leases in the White River National Forest. The BLM recently stated that it will rely on the White River National Forest's Oil and Gas Plan when it performs a retroactive and remedial NEPA analysis on 65 existing oil and gas leases. The Oil and Gas Plan significantly curtails the ability of the 65 existing lessees to develop producing fields, federal units, and the related infrastructure necessary to drill for and bring oil and gas to market. In addition, the Plan decision to close over a million acres to future leasing and to apply stringent No Surface Occupancy (NSO) and Controlled Surface Use (CSU) stipulations over other large swaths of the forest will frustrate the reasonable investment-backed expectations of current forest lessees.

Objection Response – Oil and gas leasing on National Forest System land (NFS) is a collaborative process between the BLM and the Forest Service. The BLM is in the process of analyzing 65 previously issued leases in the White River National Forest. The BLM

announced that effort through publication of a notice of intent on April 2, 2014. That publication occurred between the release of the White River National Forest Oil and Gas Leasing Project Draft Environmental Impact Statement (DEIS) and Final Environmental Impact Statement (FEIS). The FEIS and DROD include extensive references to the BLM effort. (FEIS Sections: 1.4, 1.5, 3.6, Response to Comments and DROD). BLM has not made a final decision.

The project analysis was based on the assumption that 26 of the 65 existing leases were either part of a unit or held by production (developed) and 39 of the existing leases were undeveloped. Two scenarios were then developed for the FEIS which modeled how those leases might be managed in the future. (FEIS Section 3.2.10 and DROD) The FEIS used the best information available at the time the analysis was conducted, disclosed that information and fully and adequately considered the information in its draft decision. The DROD clearly stated that the White River National Forest leasing decision does not affect existing leases.

The White River National Forest Oil and Gas Leasing Decision encompasses lands outside of the BLM analysis area. Delaying the Forest Service decision would impact management well beyond the area containing the 65 leases in question. The timing of the White River National Forest Oil and Gas Leasing Decision is justified as the FEIS and DROD make clear that the White River National Forest leasing decision does not affect existing leases. The timing of the decision is appropriate.

Objection Issue 3: The plan fails to adequately consider the socio-economic impact of its decision to close large portion of Forest to future leasing and to impose major development constraints on the remaining areas, thus rendering the socio-economic analysis in the Oil and Gas FEIS defective. The analysis minimizes socio-economic effects by making the assumption that outdoor recreation and oil and gas cannot co-exist.

Objection Response – Socioeconomics are analyzed in the project record. (FEIS Section 3.4.1) A project-specific analysis was done for the White River National Forest Oil and Gas Leasing project; it did not solely rely on the socio-economic analysis done for the LRMP. Both that analysis and the Responsible Official recognized that outdoor recreation and oil and gas can co-exist; however there will be trade-offs. (DROD).

Objection Issue 4: The proposed decision does not comport with federal law or FS Mineral policy. Stipulations shall only be as restrictive as necessary.

Objection Response – Your objection did not cite specific examples of stipulations that are too restrictive, so my response is general in nature. This issue was addressed in a response to comments (FEIS Public Concerns). A description of lease stipulations and acknowledgement that stipulations should only be as restrictive as necessary is provided and is disclosed and discussed. The FEIS and its supporting documents provide extensive evidence and rationale for the selected lease stipulations. Analysis of the methodology used to develop, and the rationale used to apply, lease stipulations are fully disclosed and discussed. (FEIS Section 1.4.6, and in Appendices A and B)

The mix of different stipulations demonstrates that the Forest Service applied less restrictive stipulations where considered appropriate. A summary of the extent of various stipulation applications is provided. (FEIS Section 2.2.3, Table 6)

Objection Issue 5: While the DROD states that 70% of the acreage with “high oil and gas potential” within the White River National Forest is available for leasing under the Oil and Gas Leasing Decision, much of this acreage has NSO or CSU restrictions, making development of these resources extremely difficult and, in many cases, impossible. This amounts to a de facto withdrawal of additional acreage with high potential for oil and gas development.

Objection Response – As noted above for Objection Issue 2, the methodology in developing NSO and CSU stipulations is discussed. (FEIS Section 1.4.6 and Appendix B) The definition of the resource and the need for protection is identified on each stipulation from in Appendix A.

The decision is not permanent. The authority to make lands available to leasing is valid for the life of this analysis – usually 15-20 years. If new information or technological advances show the need to revisit this decision, there is authority to do so. (DROD)

Objection Issue 6: The plan fails to consider an adequate range of alternatives.

Objection Response –The FEIS analyzed three alternatives in depth. Among those alternatives, the acres available for leasing ranged from 0 to 411,475. (FEIS Section 2.3)

The FEIS also addressed four other alternatives that were eliminated from detailed study (FEIS Section 2.3.2). The extent to which an alternative meets the Purpose and Need for Action is an important consideration for selecting or eliminating an alternative.

Objection Issue 7: The plan’s consistency and significance determinations are flawed. FS policy requires that amendments to Forest Plan contain a “significance decision”. The DROD concludes that the Oil and Gas Plan is consistent with the existing 2002 WRNF Forest Plan, and uses this claimed “consistency” as a factor in the decision-making process. The FS cannot use the bald, unsupported statement that Oil and Gas Plan is consistent with the Forest Plan as justification for the radical changes proposed.

Objection Response – The DROD explains in detail why the Responsible Official believed the proposed LRMP Amendment (FEIS Appendix D) was not significant.

Objection Issue 8: The proposed decision was politically driven and led to a biased analysis and Draft Record of Decision.

Objection Response – The Responsible Official discussed at length the factors considered in making his decision (DROD). Those factors included consideration of public input, which is proper. Neither the analysis nor the decision hid the fact that oil and gas leasing in the project area is controversial (FEIS Section 1.6.4 and response to Comments).

The draft decision to close lands “through Management Direction” is based primarily on the authority provided in 36 CFR Subpart E, Sec. 228.102 (c)(1)(iii) and (2); however this was

informed through public comments received during the NEPA processes (FEIS Appendix G – Response to Public Comments), the role of the Forest Supervisor within the agency and communities (as evidenced by direction and communication cited by Objector), and other factors. I have found no violation of NEPA or National Forest Management Act (NFMA) with regard to Forest Supervisor's discretionary decision.

Suggested Remedies:

In your objection, you stated that the Forest Service must remedy the significant flaws in its analysis and conduct a new planning process that is in compliance with the law and its own policies.

Conclusion:

Based on my review of your objection, the FEIS and objection record, I find no violation of law, regulation or policy. In addition, my review has led me to conclude that no changes to the analysis documents are needed as it relates to your objection. However, I am instructing the Responsible Official, Forest Supervisor Scott G. Fitzwilliams to address issues raised by other objectors. As required by 36 CFR 219.58(a), Forest Supervisor Fitzwilliams cannot sign a decision for this project until all instructions have been addressed. This response is not subject to further administrative review by the Forest Service or the Department of Agriculture pursuant to 36 CFR 219.57(b)(3).

If you have any questions or concerns regarding this response, please contact Nancy Miller at 303-275-5373 or njmillier@fs.fed.us.

Sincerely,



JAMES S. BEDWELL
Acting Deputy Regional Forester
Reviewing Official

cc: Scott Fitzwilliams, Sarah Hankens, Wendy Haskins